

Statement Of Congressman Pete Stark Introducing the AmeriCare Health Insurance Act of 2006

Monday, 24 July 2006

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July 25, 2006

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Introducing the AmeriCare Health Insurance Act of 2006

Mr. Speaker, it gives me great pleasure to introduce the AmeriCare Health Insurance Act of 2006. I am joined by the AFL-CIO, the American Academy of Pediatrics, the American Nurses Association, the Center for Medicare Advocacy, Consumers' Union, Families USA, SEIU, the Universal Health Care Action Network, and the National Association of Community Health Centers in supporting this common sense solution to achieve universal health insurance coverage.

In my tenure in the House, I have been involved in many discussions about how to reform our health system. These debates tend to occur every ten to fifteen years when health costs rise to a level that attracts our attention. Unfortunately, the minor tweaks and threats of reform we have made in the past have not resulted in lasting change. As a result, we are spending more – and getting less – than any industrialized nation.

If history is any guide, we are nearing yet another health reform discussion in this country. This time, we need to get it right. To that end I offer AmeriCare – a practical proposal to ensure that everyone has affordable health insurance.

AmeriCare is based on the principles that the U.S. health system should cover everyone, be affordable, and be meaningful.

Eighty percent of the people who file for bankruptcy because of medical bills have health insurance, but their benefits do not meet their needs. Policies that are unaffordable, that discourage people from seeking care, or that do not cover necessary benefits are empty solutions.

AmeriCare builds on what works – both employer coverage and Medicare – in an effort to dramatically expand coverage with minimal disruption to the current system. It addresses the broader issues in our health system overall, and provides an important marker for a renewed discussion on health reform.

For the past four decades since it was enacted, the stability and affordability of Medicare have helped millions of seniors

and people with disabilities live longer, healthier lives. Because of Medicare, families have been able to save for their children's education rather than having to pay for their parents' health care.

Since the program began, Medicare's per capita costs have grown at a slower rate than private health insurance or the Federal Employees Health Benefits Program.

Providers, too, have benefited from Medicare. Without Medicare as a consistent payer, providers would not be able to offer the top quality care they deliver today. Indeed, uncompensated care for people who are uninsured or underinsured is pushing some providers toward the breaking point. Meaningful coverage for all makes good business sense for providers.

AmeriCare also recognizes the important role that job-based benefits play in our current health system. Under AmeriCare, people would continue to obtain health coverage through their employer — as most of us currently do — or they would be covered under the new AmeriCare system. Expanding insurance coverage to all will end the cost shifting that results from the high number of uninsured we have today. This could reduce premiums for job-based insurance by as much as \$1,000 for family coverage, according to the Institute of Medicine.

Expanding coverage to all will also strengthen the economy and improve our competitiveness. General Motors recently admitted it spends more on health care than on steel; Starbucks spends more on health insurance than on coffee. The need to address health reform is more urgent than ever before.

AmeriCare is a sensible solution for our nation's employers — many of whom are already meeting the challenge of providing coverage for their employees. I plan to reach out to the business community to begin a dialogue about how we might move forward with AmeriCare.

AmeriCare creates a new Title XXII in the Social Security Act. It uses Medicare's existing administrative infrastructure, but improves upon Medicare's benefits to address some of the current gaps in coverage, such as mental health parity, coverage for children, and family planning and pregnancy-related services for women. State Medicaid programs would remain responsible for long-term care, but AmeriCare would now cover low-income children, women, and others who currently receive non-long term care services under Medicaid.

AmeriCare is financed through premiums, paid 20% by individuals and families and 80% by employers, general revenues, and state funds. People with incomes under 200 percent of poverty would be fully subsidized, and premiums and cost-sharing would be phased in for those with incomes between 200-300 percent of poverty.

There is also a limitation on out-of-pocket spending to ensure that no one spends a disproportionate share of their income on health care. Employers could continue to offer their own coverage, so long as it is equivalent to AmeriCare. Payment of premiums would be reconciled at the annual tax filing in April.

Everyone in the room should be aware that there is an effort underway to reform our health system, but not in the way we would like. Republicans have been pursuing stealth reform for the past decade in their dogged determination to dismantle the employer-based system and force everyone into high deductible health plans, regardless of whether they open or benefit from a Health Savings Account.

Their rhetoric makes it sound like you "own" your health care. But what they really mean is that you are on

your own. It's not just that you have to fend for yourself when purchasing health care, it's that for most people — especially the currently uninsured — the Health Savings Account is purely theoretical. Employers don't have to contribute to these accounts, and most don't.

The Republican agenda expands the class of people who are under-insured, putting both patients and providers at greater risk. More and more doctors and hospitals are being forced to act as bill collectors rather than care providers, and patients are saddled with debt and even bankruptcy because their insurance benefits are inadequate. For example, many high deductible policies do not cover maternity benefits. The situation will only get worse if we continue to allow high-deductible health plans to take hold.

Without the security of a universal health plan that covers everyone, each of us is at risk. For years we have accepted that people fall through the cracks in our health system. No parent should ever have to deny their child a lifesaving treatment because they cannot afford the cost. No family should ever lose a parent because their condition was treated too late.

We need a strong alternative vision for health reform. That is why I am putting AmeriCare forward today. This proposal promotes shared risk and responsibility, not individual risk and greater fragmentation. AmeriCare offers an alternative vision that is simple and straightforward, fair and manageable.

Our nation is at a crossroads. Our legacy should be a future where our children are not saddled with debt, where they do not fear financial ruin due to an illness. Whether we build a healthy future for our children or not depends upon the decisions we make today. True compassion means offering real solutions, not empty promises.

Working together, applying common sense approaches that build on what works, we can ensure that no-one risks the loss of insurance coverage. All we need is the will to do it.

As we edge closer to our next discussion on health reform, we need to ask, is medical care a civic and social right like police and fire services, education, and environmental protection?

Or is health care "you're on your own"?

This decision must be made. I hope I can count on my colleagues and our endorsing organizations to advance a shared vision for health reform by adopting AmeriCare.

Attached is a short summary of AmeriCare. More can be found on my website at <<www.house.gov/stark>>.